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VEDDER, G. C. *American methods in foreign trade.* (New York: McGraw-Hill. 1918. Pp. 200. \$2.)

To be reviewed.

WEBSTER, W. C. *A general history of commerce.* (Boston: Ginn. 1918. Pp. 453.)

Economy in retail service. Experience of stores in which readjustments to war conditions have been made. (Washington: Council National Defense. 1918.)

Foreign trade thought of 1918. Excerpts from addresses delivered at the fifth national foreign trade convention. (New York: Irving National Bank. 1918. Pp. 75.)

Official report of the fifth national foreign trade convention, held in April, 1918. (New York: National Foreign Trade Convention Headquarters. 1918. Pp. xxx, 667.)

Retail selling. Commercial education series no. 1. (Washington: Federal Board for Vocational Education. 1918. Pp. 93.)

The traffic library. Express and parcel post services. (Chicago; Am. Commerce Assoc. 1918. Pp. xvi, 625.)

United States food administration laws and rulings. (Chicago: Commerce Clearing House. 1918. Pp. 251.)

Accounting, Business Methods, Investments, and the Exchanges

Valuation and Rate-Making. The Conflicting Theories of the Wisconsin Railroad Commission, 1905-1907. By ROBERT L. HALE. Columbia University Studies in Political Science, Vol. LXXX, No. 1. (New York: Longmans, Green and Company. 1918. Pp. 156. \$1.50.)

It is difficult to determine whether the author of this book intended to confine his discussion to the conflicting valuation theories of the Wisconsin Railroad Commission or whether his purpose was to convey a "revised" principle of utility valuation. The subject-matter discussed covers within its scope such wide and confused problems that the book resembles a legal commentary on utility valuations rather than an economic monograph. The first chapter, dealing with the United States Supreme Court valuation decisions, is too brief and discursive to assist toward a full understanding of the subsequent chapters. Moreover, the relationship between the Wisconsin commission's theories and the Supreme Court decisions is not always clearly pointed out. Dr. Hale succeeds very well, however, in presenting the conflicting and contradictory character of the numerous valuation cases decided

by the Wisconsin Railroad Commission since 1905. This is not an easy task since the material must be drawn from all sorts of utility controversies ranging from reasonableness of railroad passenger fares to the fixing of the value of "indeterminate permits in cases involving municipal purchases."

It is to be expected that the Wisconsin commission's viewpoint should change in accordance with the nature of the individual cases brought to it for decision. Dr. Hale rightfully contends, however, that in adopting a new theory or in casting about for an old one, the commission frequently "does so without stating the grounds of its choice." Furthermore, "when expressing grounds of policy, the commission is not always consistent." Some of these inconsistencies the author endeavors to explain. His discussion is confined mainly to the problems of "fair value" and "reasonable return." As a "fair value" basis the Wisconsin commission has at times adopted the replacement cost of physical property. It has therefore excluded "intangibles" and abandoned or unused property. All this would seem to point to a complete rejection of "exchange value" as a basis for computing reasonable rates. However, following the Supreme Court decision in *Smyth vs. Ames*, the Wisconsin commission has at times adhered to the "composite value" theory, which retains many of the elements that enter into the exchange value of properties.

In enumerating theories of "fair return," there are cases where the commission seeks to allow only what is necessary to secure the service: there are others where it thinks the owners entitled to an analogy of private ownership to the unearned increment (p. 141). These conflicting opinions, according to Dr. Hale, point to the need of a revised principle of utility valuation. The so-called "incentive theory," which would restrict utility earnings to a rate merely sufficient to attract capital investment in utility properties, is analyzed in some detail, but it is not entirely clear from Dr. Hale's text whether he indorses this theory and believes in its practical application.

A. M. SAKOLSKI.

Hiring the Worker. By ROY WILLMARTH KELLY. (New York: Engineering Magazine Company. 1918. Pp. vii, 250. \$3.00.)

The Taylor System in Franklin Management; Application and Results. By GEORGE D. BABCOCK. (New York: Engineering Magazine Company. 1917. Pp. xx, 245. \$3.00.)

Scientific Industrial Efficiency. By DWIGHT T. FARNHAM. (Chicago: Kenfield-Leach Company. 1917. Pp. 101.)

Buying Brains. Facts and Suggestions regarding the Establishing of Better Relations between Employers and Employees. (New York: Authors Press. 1918. Pp. 229. \$2.00.)

The Works Manager Today. By SIDNEY WEBB. (London: Longmans, Green and Company. 1917. Pp. 162. \$1.00.)

In *Hiring the Worker* Mr. Kelly lays before his readers the results of a survey of the employment and service functions in thirty firms. He takes the position of the impartial investigator, presenting the data concisely and without prejudice, and gives the reader the opportunity to profit from the experiences of these organizations and to learn of the procedures developed within these industrial laboratories. The survey is described and an idea of the form of the organizations included is given. The employment manager and his duties, the employment department, its cost of maintenance, job analysis, and employee selection occupy the early chapters. Methods of employee placement and training in several different organizations are considered and the technique of transfer, promotion, and discharge is discussed. A number of examples of forms, records, and booklets, and a bibliography of employment management concludes the treatment.

The book awakens a keener appreciation of the breadth of the field of effort along the lines of employee relationships within the industry and should be of value to any one who wishes assistance in solving the practical problems which arise in the development of functionalized departments.

Rarely has an exposition of scientific principles been developed through the medium of narrative. Major Babcock in his discussion of *The Taylor System in Franklin Management* has achieved a singular degree of success through this avenue of expression. The industrial administrator finds in this method of presentation a strong appeal; for in place of the abstruse conclusions of the business theorist he reads the simple story of an application of the scientific method of management to a well known industrial organization, and he is constantly cheered by the realization that he is not reading of visionary industrial milleniums but of a manufacturing policy and procedure which have withstood all of the practical working difficulties for which he has a keen appreciation.

The opening chapters tell us of conditions in the Franklin plant before the introduction of the system; of the opening correspon-

dence with Dr. Taylor and Mr. Carl S. Barth; of the investigation of existing examples of the system; and of the final decision to attempt the installation. We then catch glimpses of the preliminary work in the plant, of the classifications which were made, of the standards which were set, and finally of the mechanisms of production control which, as developed here, constitute a lasting contribution to applied industrial science. Employment and rate fixing show a high degree of operating technique; and the introduction of such factors as years of service, absence and tardiness, cost of living, coöperation, and conduct into the formula for wage rate determination reflects the degree to which the human element was taken into consideration in the development of the wage payment plan. The effect of the new methods upon the functions of inspections, stores, purchasing, and its reaction upon the employees is discussed. In the closing chapter the results of the installation are made readily appreciable through the medium of several excellent charts.

To the modern administrator whose basic interest, behind a screen of attentiveness to systems and mechanisms, is in the study and resulting understanding of the men of his executive personnel, the book brings an unexpected and gratifying return, for between the lines he will sense the character of the writer, the breadth of vision, the high standards of achievement, the resoluteness of purpose with which the problem was approached, and he may find himself doubting if any venture could fail under the guidance of such a personality. The book brings faith to the unbeliever and courage to him who is facing the ever-present difficulties with which the paths of industrial progress are strewn.

Mr. Farnham's book is a description of the fundamental principles of scientific management and their bearing upon the manufacture of brick and other clay products. It has particular interest for those who are familiar with kiln processes. Many concrete examples of management methods and policies are cited and afford a valuable background for the reflection of the principles under discussion. The subject-matter, presented in simple and forceful manner, covers analytical time study, centralized control, planning and scheduling, standardized technical control, aids to management, principles and results.

Buying Brains is a somewhat superficial and generalized ex-

position of certain industrial activities including scientific management, employment, employee instructions and development, compensation, profit sharing, trade unions, coöperative policies and the elimination of wastes.

The trend of industrial administration in England is admirably indicated by Professor Webb in *The Works Manager Today*, which is the publication of an address prepared for a series of private gatherings of works managers. The discussion involves the function of management, reduction of production cost, appointments and dismissals, standardization of trade rates, wage systems, administrative technique (naïvely called "manners of management"), discipline, fatigue and accidents, scientific management, and welfare work.

ERWIN H. SCHELL.

Massachusetts Institute of Technology.

NEW BOOKS

- AIKEN, C. R. *The millinery department*. (New York: Ronald Press. 1918. Pp. xix, 175.)
- BASSET, W. R. *Accounting as an aid to business profits*. (Chicago: A. W. Shaw Co. 1918. Pp. 544. \$5.)
- BOLLES, A. S. *Business man's commercial law library*. (Garden City, N. Y.: Doubleday, Page. 1918.)
- BROWDER, E. *An accounting system for a coöperative store*. (New York: Coöperative League of America, 2 West 13th St. 1918. Pp. 16. 5c.)
- COHEN, J. H. *Commercial arbitration and the law*. (New York: Appleton. 1918. Pp. xx, 339. \$3.)
- DOUGLAS, A. W. *Merchandising*. (New York: Macmillan. 1918. Pp. 151. \$1.)
- FARRINGTON, F. *The successful salesman*. (Chicago: Laird & Lee. 1918. Pp. 208. \$1.)
- FERTIG, J. H. *A compilation of the laws relating to trades, occupations, and professions*. Bull. no. 18. (Harrisburg, Pa.: Legislative Reference Bureau. 1918. Pp. 347.)
- FITCH, J. K. *The Fitch bond book, describing all important corporation and railroad bond issues of the United States and Canada*. 1918 edition. (New York: Fitch Pub. Co. 1918.)
- FUNK, W. C. *Farm household accounts*. Farmers' bull. 964. (Washington: Dept. Agriculture. 1918. Pp. 11.)

GERSTENBERG, C. W. *Principles of business*. (New York: Prentice-Hall. 1918. Pp. xiv, 821. \$3.)

To be reviewed.

GOFF, W. L. and SCOTT, W. S. *High income bond values covering yields from 6 to 15 per cent, payable semi-annually*. (Boston: Finan. Pub. Co. 1918. 44 tables. \$3.40.)

GOWIN, E. B. *The selection and training of the business executive*. (New York: Macmillan. 1918. \$2.)

HAUER, D. J. *Modern management applied to construction*. (New York: McGraw Hill. 1918. Pp. 194. \$2.50.)

HENDERSCHOTT, F. C. and WEAKLY, F. E. *The employment department and employee relations*. (Chicago: LaSalle Exten. Univ. 1918. Pp. 60.)

JONES, F. D. and HAMMOND, E. K. *Shop management and systems*. (New York: Industrial Press. 1918. Pp. x, 307. \$2.50.)

KENT, W. *Bookkeeping and cost accounting for factories*. (New York: Wiley. 1918. Pp. vii, 261. \$4.)

The author has undertaken to prepare "a systematic treatise on cost accounting which will start the student at the beginning with the elementary principles of double entry bookkeeping and lead him through factory accounting to cost accounting, giving him not only the fundamental theory in accordance with the views of the ablest modern accountants, but also warning him against time-worn fallacies of the older school."

The first five chapters deal with elementary principles: titles and definitions of accounts; the evolution of modern labor-saving devices in bookkeeping; the Federal Trade Commission's system of accounts for retail merchants; and factory accounting as distinct from commercial bookkeeping. Cost accounting is taken up specifically beginning with the sixth chapter and the author "divorces the accounting department from the cost department having the latter determine costs by an independent method." "A new definition of factory cost is now needed. It is not post-mortem cost, what the goods cost last year, but what it will now cost to reproduce them or what they will probably cost during the remainder of the current year, assuming that the factory runs at its normal rate." A long chapter is devoted to distribution of burden. The machine-hour rate is considered by the author as the basis of the best system for factories manufacturing "assembled" product and he shows how certain modifications of it may make the cost figures more accurate than the ordinary results.

The particular merit of the book lies in the last half which is devoted almost entirely to practical cost accounting in specific industries, including a blast furnace, a steel works, foundries, a hardware factory, a machine shop, a bakery, a textile mill, a wood-working shop, power plants, and printing shops.

The student and accountant will find this treatise an invaluable handbook of useful and stimulating information. However, in the classroom it can be used advantageously as an elementary text only when supplementing a book which acquaints the student with the simpler aspects of the subject.

M. J. S.

LEHMAN, M. A. *The glassware department*. (New York: Ronald Press Co. 1918. Pp. xv, 161.)

LILLY, W. *Individual and corporation mortgages. A statement for laymen of the legal principles*. (New York: Doubleday, Page & Co. for the Investment Bankers Assoc. of Am. 1918. Pp. 153. \$1.) To be reviewed.

LOWNHaupt, F. *How to select investments*. (New York: Mag. Wall St. 1918. Pp. 148.)

MOTT, H. S. *The course of bond prices. A comparison with Civil War conditions*. (New York: Irving Nat. Bank. 1918. Pp. 16.)

NÉGRIER, P. *Organisation technique et commercial des usines d'après les méthodes américaines (système Taylor)*. (Paris: Dunod & Pinat. 1918.)

NELSON, G. N. *Income tax law and accounting, 1918*. (New York: Macmillan. 1918. \$2.50.)

PATON, W. A. and STEVENSON, R. A. *Principles of accounting*. (New York: Macmillan. 1918.)

POMEROY, R. W. *Bond investments: a complete list of suitable bond investments with memoranda in support of their classification*. (Buffalo, N. Y.: Conner & Co., 246 Michigan St. 1918. \$5.)

PRICE, I. *Questions in advanced bookkeeping for drill, test and review*. (New York: Hinds, Hayden & Eldredge. 1918. Pp. 80. 30c.)

RITTENHOUSE, C. F. *Elements of accounts for individuals, professional men and institutions*. (New York: McGraw-Hill. 1918. Pp. xii, 264. \$2.)

ROSS, W. J. *Price reports, the reporting plan; the constitution and by-laws*. (Utica, N. Y.: Knit Goods Mfrs. of America. 1918. Pp. 61.)

ROLLINS, M. *Municipal and corporation bonds. Terms, customs, and usages. A reference book for the investor and banker*. Revised edition by BENJAMIN FISHER. (Boston: Finan. Pub. Co. 1918. Pp. 202. 85c.)

SCHOCH, P. and GROSS, M. *Elements of business*. (New York: Am. Bk. Co. 1918. Pp. 216.)

SISSON, F. H. *The effect of the war on railroad securities*. (New York: Guaranty Trust Co. 1918. Pp. 8.)

STRAYER, S. I. and WRIGHT, H. W. *Modern bookkeeping, accounting*

- and business practice.* (Philadelphia: Modern Textbook Co. 1918. Pp. 258.)
- THOMPSON, E. B. *The silk department.* Department store merchandise manuals, vol. 9. (New York: Ronald. 1918. Pp. xx, 224.)
- TWYFORD, H. B. *Storing; its economic aspects and proper methods.* (New York: Van Nostrand. 1918. Pp. 200. \$3.)
- WANG, C. C. *Legislative regulation of railway finance in England.* (Urbana, Ill.: Univ. Illinois. 1918. Pp. 196. \$1.50.)
- Accounting system for the United States Indian Service.* (Washington: Dept. Interior, Office of Indian Affairs. 1917. Pp. 191.)
- The Merchants' Association of New York. Year book 1918.* (New York: The Association, Woolworth Bldg. 1918. Pp. 288.)
- Public utilities.* (Wellesley Hills, Mass.: Babson Statistical Organization. 1918.)
- The war's effect on copper, silver, railroad and industrial stocks.* (Boston: G. F. Redmond & Co. 1918. Wall chart 6 by 2 ft.)
- The 100 best investments.* (London: British, Foreign & Colonial Corporation, Ltd. 1918. 1s.)

Labor and Labor Organizations

Profit Sharing. Its Principles and Practice. A Collaboration by ARTHUR W. BURRITT, HENRY S. DENNISON, EDWIN F. GAY, RALPH E. HEILMAN, and HENRY P. KENDALL. (New York: Harper and Brothers. 1918. Pp. x, 328. \$2.50.)

In arriving at their conclusions in regard to profit sharing, the authors state that a critical study and analysis of the methods of a large number of employers have been made, that a considerable number of plants having profit-sharing schemes have been investigated at first hand, that large correspondence has been carried on, and that many employers and employees have been interviewed.

The collaborators have convinced themselves that under right conditions the participation of employees in the profits of a business will stimulate effort and increase personal efficiency, especially of members of the managerial groups and salaried workers in posts of responsibility; that profit sharing promotes organization fitness; tends to increase the permanence of a business by increasing continuance of high grade management, thus developing and maintaining the quality fact in the labor force which in turn protects the reward upon invested capital; that, though not the most important, profit sharing is nevertheless a helpful means